

Delaware



2022 Delaware Code

Title 6 - Commerce and Trade

Uniform Commercial Code

<https://law.justia.com/codes/delaware/2022/title-6/>

§ 4A-507 Choice of law.

(a) The following rules apply unless the affected parties otherwise agree or subsection (c) applies:

(1) The rights and obligations between the sender of a payment order and the receiving bank are governed by the law of the jurisdiction in which the receiving bank is located.

(2) The rights and obligations between the beneficiary's bank and the beneficiary are governed by the law of the jurisdiction in which the beneficiary's bank is located.

(3) The issue of when payment is made pursuant to a funds transfer by the originator to the beneficiary is governed by the law of the jurisdiction in which the beneficiary's bank is located.

(b) If the parties described in each paragraph of subsection (a) have made an agreement selecting the law of a particular jurisdiction to govern rights and obligations between each other, the law of that jurisdiction governs those rights and obligations, whether or not the payment order or the funds transfer bears a reasonable relation to that jurisdiction.

(c) A funds-transfer system rule may select the law of a particular jurisdiction to govern (i) rights and obligations between participating banks with respect to payment orders transmitted or processed through the system, or (ii) the rights and obligations of some or all parties to a funds transfer any part of which is carried out by means of the system. A choice of law made pursuant to clause (i) is binding on participating banks. A choice of law made pursuant to clause (ii) is binding on the originator, other sender, or a receiving bank having notice that the funds-transfer system might be used in the funds transfer and of the choice of law by the system when the originator, other sender, or receiving bank issued or accepted a payment order. The beneficiary of a funds transfer is bound by the choice of law if, when the funds transfer is initiated, the beneficiary has notice that the funds-transfer system might be used in the funds transfer and of the choice of law by the system. The law of a

jurisdiction selected pursuant to this subsection may govern, whether or not that law bears a reasonable relation to the matter in issue.

(d) In the event of inconsistency between an agreement under subsection (b) and a choice-of-law rule under subsection (c), the agreement under subsection (b) prevails.

(e) If a funds transfer is made by use of more than one funds-transfer system and there is inconsistency between choice-of-law rules of the systems, the matter in issue is governed by the law of the selected jurisdiction that has the most significant relationship to the matter in issue.

§ 5-116 Choice of law and forum.

(a) The liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction chosen by an agreement in the form of a record signed or otherwise authenticated by the affected parties in the manner provided in Section 5-104 or by a provision in the person's letter of credit, confirmation, or other undertaking. The jurisdiction whose law is chosen need not bear any relation to the transaction.

(b) Unless subsection (a) applies, the liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction in which the person is located. The person is considered to be located at the address indicated in the person's undertaking. If more than one address is indicated, the person is considered to be located at the address from which the person's undertaking was issued. For the purpose of jurisdiction, choice of law, and recognition of interbranch letters of credit, but not enforcement of a judgment, all branches of a bank are considered separate juridical entities and a bank is considered to be located at the place where its relevant branch is considered to be located under this subsection.

(c) Except as otherwise provided in this subsection, the liability of an issuer, nominated person, or adviser is governed by any rules of custom or practice, such as the Uniform Customs and Practice for Documentary Credits, to which the letter of credit, confirmation, or other undertaking is expressly made subject. If (i) this Article would govern the liability of an issuer, nominated person, or adviser under subsection (a) or (b), (ii) the relevant undertaking incorporates rules of custom or practice, and (iii) there is conflict between this Article and those rules as applied to that undertaking, those rules govern except to the extent of any conflict with the non-variable provisions specified in Section 5-103(c).

(d) If there is conflict between this Article and Article 3, 4, 4A, or 9, this Article governs.

(e) The forum for settling disputes arising out of an undertaking within this Article may be chosen in the manner and with the binding effect that governing law may be chosen in accordance with subsection (a).

§ 8-110 Applicability; choice of law.

(a) The local law of the issuer's jurisdiction, as specified in subsection (d), governs:

(1) the validity of a security;

(2) the rights and duties of the issuer with respect to registration of transfer;

- (3) the effectiveness of registration of transfer by the issuer;
 - (4) whether the issuer owes any duties to an adverse claimant to a security;
 - (5) whether an adverse claim can be asserted against a person to whom transfer of a certificated or uncertificated security is registered or a person who obtains control of an uncertificated security; and
 - (6) the effectiveness of a restriction on transfer of a security or an interest therein.
- (b) The local law of the securities intermediary's jurisdiction, as specified in subsection (e), governs:
- (1) acquisition of a security entitlement from the securities intermediary;
 - (2) the rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement;
 - (3) whether the securities intermediary owes any duties to an adverse claimant to a security entitlement; and
 - (4) whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder.
- (c) The local law of the jurisdiction in which a security certificate is located at the time of delivery governs whether an adverse claim can be asserted against a person to whom the security certificate is delivered.
- (d) "Issuer's jurisdiction" means the jurisdiction under which the issuer of the security is organized or, if permitted by the law of another jurisdiction, the law of this State.
- (e) The following rules determine a "securities intermediary's jurisdiction" for purposes of this section:
- (1) If an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that a particular jurisdiction is the securities intermediary's jurisdiction for purposes of this part, this Article, or this subtitle, that jurisdiction is the securities intermediary's jurisdiction.
 - (2) If paragraph (1) does not apply and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.
 - (3) If neither paragraph (1) nor paragraph (2) applies and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the securities account is maintained at an office in a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.
 - (4) If none of the preceding paragraphs applies, the securities intermediary's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the entitlement holder's account is located.

(5) If none of the preceding paragraphs applies, the securities intermediary's jurisdiction is the jurisdiction in which the chief executive office of the securities intermediary is located.

(f) A securities intermediary's jurisdiction is not determined by the physical location of certificates representing financial assets, or by the jurisdiction in which is organized the issuer of the financial asset with respect to which an entitlement holder has a security entitlement, or by the location of facilities for data processing or other record keeping concerning the account.

§ 9-111 Law governing creation, attachment and enforcement of security interests; characterizations; and certain other rights.

(a) Law governing classification of collateral and creation, attachment and enforcement of security interests. — If a security agreement is governed by the Laws of the State of Delaware, then those Laws shall govern, among other things:

(1) The classification of the collateral subject to that agreement; and

(2) The creation, attachment, validity and enforcement of the security interest.

(b) Law governing characterization of certain transactions. — If an agreement is governed by the Laws of the State of Delaware, then those Laws shall govern, among other things:

(1) The characterization of a transaction subject to that agreement as (A) an interest in personal property or fixtures that secures payment or performance of an obligation, or (B) a sale, lease, bailment or consignment; and

(2) The characterization of a transaction subject to that agreement as a securitization transaction for purposes of Chapter 27A of this title.

Title 6 - Commerce and Trade

Chapter 17. LIMITED PARTNERSHIPS

<https://law.justia.com/codes/delaware/2022/title-6/chapter-17/>

§ 17-901 Law governing.

(a) Subject to the Constitution of the State of Delaware:

(1) The laws of the state, territory, possession, or other jurisdiction or country under which a foreign limited partnership is organized govern its organization and internal affairs and the liability of its limited partners; and

(2) A foreign limited partnership may not be denied registration by reason of any difference between those laws and the laws of the State of Delaware.

(b) A foreign limited partnership shall be subject to § 17-106 of this title

Chapter 18. LIMITED LIABILITY COMPANY ACT

<https://law.justia.com/codes/delaware/2022/title-6/chapter-18/>

§ 18-901 Law governing.

(a) Subject to the Constitution of the State of Delaware:

(1) The laws of the state, territory, possession, or other jurisdiction or country under which a foreign limited liability company is organized govern its organization and internal affairs and the liability of its members and managers; and

(2) A foreign limited liability company may not be denied registration by reason of any difference between those laws and the laws of the State of Delaware.

(b) A foreign limited liability company shall be subject to § 18-106 of this title.

Title 6 - Commerce and Trade

Chapter 27. CONTRACTS

<https://law.justia.com/codes/delaware/2022/title-6/chapter-27/>

§ 2708. Choice of law.

(a) The parties to any contract, agreement or other undertaking, contingent or otherwise, may agree in writing that the contract, agreement or other undertaking shall be governed by or construed under the laws of this State, without regard to principles of conflict of laws, or that the laws of this State shall govern, in whole or in part, any or all of their rights, remedies, liabilities, powers and duties if the parties, either as provided by law or in the manner specified in such writing are:

(1) Subject to the jurisdiction of the courts of, or arbitration in, Delaware; and

(2) May be served with legal process.

The foregoing shall conclusively be presumed to be a significant, material and reasonable relationship with this State and shall be enforced whether or not there are other relationships with this State.

(b) Any person may maintain an action in a court of competent jurisdiction in this State where the action or proceeding arises out of or relates to any contract, agreement or other undertaking for which a choice of Delaware law has been made in whole or in part and which contains the provision permitted by subsection (a) of this section.

(c) This section shall not apply to any contract, agreement or other undertaking:

(1) To the extent provided to the contrary in § 1-301(c) of this title; or

(2) Involving less than \$100,000.

(d) In the event that any provision hereof shall be held to be invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof. Any provision hereof which is held to be invalid or unenforceable only in part or degree or under specific facts, shall remain in full force and effect to the extent, and with respect to facts in connection with which, it has not been held to be invalid or unenforceable.

(e) This section shall not limit any jurisdiction otherwise existing in a court sitting in the State and shall not affect the validity of any other choice of law provisions in any contract, agreement or other undertaking.

